

# **H.R. 1000, “The Humphrey-Hawkins 21<sup>st</sup> Century Full Employment and Training Act”**

**Introduced by Representative John Conyers, Jr. (MI-13)**

## **Section-by-Section Review**

### **Section 1: Short Title**

Section 1 contains the short title—“Humphrey-Hawkins 21st Century Full Employment and Training Act”

### **Section 2: Findings and Purpose**

Section 2 contains the findings of Congress and the purpose of the legislation. Among the findings stated in H.R. 1000 are:

- Full employment has been established as a national goal as in the “Full Employment and Balanced Growth Act of 1978” and in other prior Acts.
- It is the continuing responsibility of the federal government to use all practicable means to create and maintain conditions which promote useful employment opportunities.
- The nation has suffered substantial unemployment and underemployment over prolonged periods of time.
- The current output of goods and services is insufficient to meet pressing national priorities for infrastructure, transportation, education, health care, and more.
- Unemployment and underemployment expose many workers and families to significant, social, psychological and physiological costs.
- Persisting unemployment and underemployment have devastating financial consequences.
- Continuing high levels of unemployment contribute to foreclosures, evictions, and commercial vacancies, undermining the quality of neighborhoods and communities and hampering prospects for economic recovery.
- The historic promise of earlier legislation has not been fully realized, and we re-declare and reaffirm our support for achieving a national goal of jobs for all at living wages.
- Congress has a strong interest in seeking progressive reduction and elimination of job disparities among workers who experience chronically higher rates of unemployment and underemployment.
- Even at the top of the business cycle when unemployment rates are 4 to 5 percent, the economy, does not provide enough jobs to employ everyone who wants to work.

The purpose of the Humphrey Hawkins 21<sup>st</sup> Century Full Employment and Training Act is to expedite progress to fulfill the right to useful work at living wages for all persons seeking employment.

### **Section 3: Definitions.**

Section 3 provides definitions for: Indian Tribe, Secretary (of Labor), Small Business, State, Trust Fund, Unit of General Local Government, and Urban County.

### **Section 4: Establishment of Full Employment National Trust Fund.**

Section 4 establishes the National Full Employment Trust Fund, to be administered by the Secretary of Labor for the Employment Opportunity Grants fund and for programs under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.). Section 4 also:

- Authorizes the Secretary of Labor to deposit funds from the Department of the Treasury and to borrow additional money from the Federal Reserve System only when funds are insufficient to prevent the national unemployment rate from rising more than one full percentage. These are 10 year loans with an interest rate equivalent to a 10 year bond.
- Funds are placed in two separate accounts with 67 percent deposited for the Employment Opportunity Grants fund and 33 percent deposited for the Workforce Investment Act of 1998.
- Authorizes a web site to serve as an information clearinghouse for job training and employment opportunities funded by the Trust Fund.
- Directs the Secretary of Labor to promulgate regulations that encourage the offering of training stipends by recipients of funds under the Workforce Investment Act from the trust fund that is authorized within this section.

### **Section 5: Employment Opportunity Grants to States, Local Governments, and Indian Tribes.**

Section 5 establishes Employment Opportunity grants, which can be made to states, local governments, and Indian tribes. Section 5 also includes:

- Total grant award amounts cannot exceed 90 percent of the available amount in the trust fund at the beginning of each month during the first year, and beginning of the fiscal year during subsequent years.
- Purpose:
  - Must create employment opportunities for unemployed and underemployed individuals.
  - Must address community needs and reduce disparities in health, housing, education, job readiness and public infrastructure.

- Funds may be used for projects including:
  - Construct residences or public facilities.
  - Provide human services.
  - Restoration of abandoned properties.
  - Provide disadvantaged youth with employment opportunities.
  - Paint and repair schools and community centers
  - Expand emergency food programs.
  - Augment staffing in early childhood education programs.
  - Renovate parks and playgrounds.
  - Supplement funding for existing programs.
- Each grant recipient consults with community leaders to:
  - Assess the needs of the community.
  - Determine sectors that are in need of employees.
  - Make recommendations for new employment opportunities.
  - Assess the effectiveness of job placements.
- Conditions to receiving grant:
  - Comply with the nondiscrimination policy—section 109 of the Housing and Community Development Act of 1974 (42 U.S.C. 5309).
  - For any project:
    - Allocate at least 80 percent of the grant for wages, benefits, and support services and the remainder to non-labor costs. Allowable expenses are further specified for revenue in excess of the project costs.
    - Ensure the project fits a specific activity that is allowable for use of the grant money.
    - Institute an outreach program to inform individuals about placements funded under the grant.
    - Ensure that at least 35 percent of the employees hired under the grant sought work for more than 30 days prior to this hire.
- Defines certain requirements for management of employees. Grant Recipients must:
  - Employ for not less than 12 months.
  - Limit full-time work to 40 hours and part-time work to 35 hours.
  - Comply with responsible contractor standards.
  - Compensate individuals as others who perform similar work in the community are compensated.
  - Offer assistance to individuals applying for social benefits.

- Provides conditions in which an individual whose position is paid by the grant is authorized to work in a job that is covered by a collective bargaining agreement.
- Must not displace another job, or hours from another job.
- Sets criteria for selecting projects. Grant recipients must:
  - Consult with community leaders—labor organizations, nonprofit community-based organizations, local government officials and local residents—to assess the needs of the community.
  - Place priority on projects that serve areas with the greatest economic need as measured by several statistics including measures of high rates of unemployment and poverty, high vacancy rates and poor health conditions within the community.
  - Give priority to grants that coordinate jobs with apprenticeship programs.
  - Give priority to projects that create jobs in sectors where jobs are likely to be growing.
- Allocates available funds from the trust as grants with a maximum of:
  - 5% to Indian tribes.
  - 30% to States.
  - All the remaining balance distributed to metropolitan cities and urban counties. Distribution of grants to metropolitan cities and urban counties is by the formula under section 106(b) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(b)) (Community Development Block Grants).
  - Requires grant recipients to report to the Secretary of Labor within 90 days after the end of each fiscal year. Secretary of Labor then submits to Congress a report on the use of grants and progress in job creation, every 6 months.
- Provides for mediation.
  - Authorizes an arbitration procedure for employees including: (1) a timeline for filing of a written grievance, (2) initial meetings to resolve grievance outside of binding arbitration, (3) appointment of independent arbitrator by the Secretary of Labor and (4) payment of costs to the arbitrator.
  - In a case where a state or local government has improperly requested funds for services that are customarily provided by the unit of government, an employee or employee representative of the unit of government may file a grievance.
  - In other cases of noncompliance, a grant recipient, or employee may file a grievance no later than 90 days after the dispute arises.
- Directs the Secretary of Labor to setup a website for persons to report noncompliance and authorizes investigations, or a whistleblower hotline.

## **Section 6: National Employment Conference.**

Section 6 creates the National Employment Conference to bring together business leaders, labor, government, and all other interested parties. The purpose of the conference is to discuss employment, with attention to structural unemployment and the plight of disadvantaged youth.

## **Section 7: Inclusion of Minority-Serving, Community Based Organizations in WIA State and Local Workforce Investment Boards.**

Section 7 requires that state and local WIA boards include at least 25 percent of the chief executive officers of minority-serving, community-based organizations by amending Section 111(b)(1)(C)(v) of the Workforce Investment Act of 1998 (29 U.S.C. 2821(b)(1)(C)(v)), and Section 117(b)(2)(A)(iv) of such Act (29 U.S.C. 2832(b)(2)(A)(iv)).

## **Section 8: Tax on Securities Transactions.**

Section 8 established a tax on certain securities transactions, which is collected from a trading facility, or in some cases, the purchaser. Taxes are withheld by the trading facility for securities that are sold to individuals from foreign countries. The taxes imposed are:

- For stock contracts - 0.25% of the value of the instruments involved in the transaction;
- For futures, swap, and credit default swap contracts – 0.02% of the value of the instruments involved in the transaction;
- For options contracts – the rate that would be imposed on the underlying transaction multiplied by the premium paid for the option.
- There are exceptions for retirement accounts and for interests in mutual funds.